

Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-06 EA-07 EUR-12 NEA-10 IO-13

CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00

INRE-00 ERDA-05 AID-05 CEA-01 COME-00 EPG-02

FEAE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSC-05

OMB-01 PM-04 OES-07 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 OIC-02 AGRE-00 FRB-03 XMB-02 OPIC-03

LAB-04 SIL-01 ISO-00 /156 W

-----241130Z 019752 /16

O P 241030Z MAY 77

FM AMEMBASSY BERN

TO SECSTATE WASHDC IMMEDIATE 4390

INFO USMISSION OECD PARIS PRIORITY

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LUSAKA

AMEMBASSY MEXICO

AMEMBASSY NEW DELHI

AMEMBASSY TEHRAN

AMEMBASSY YAOUNDE

USMISSION USUN NEW YORK

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DEPT PLEASE PASS ALL OECD CAPITALS

EO 11652: GDS

TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG, SZ

SUBJ: CIEC: BILATERAL CONSULATIONS

REF: STATE 117139

1. SUMMARY: POL/ECON COUNSELOR CALLED ON AMB JOLLES MAY 23 TO DELIVER COPY OF LETTER TO G-19 MINISTERS. SWISS HAVE NO PROBLEMS WITH TEXT. JOLLES GAVE US SWISS VIEWS ON TACTICS AND SUBSTANCE HIGH OFFICIALS MEETING AND MAY 30 MINISTERIAL. HE EXPRESSED A NUMBER OF CONCERNS, BUT ON THE WHOLE WAS MORE OPTIMISTIC ABOUT THE PROSPECTS FOR CIEC THAN WE HAVE SEEN HIM BEFORE. END SUMMARY.

2. SWISS HAVE NO PROBLEMS WITH THE TEXT OF LETTER TRANSMITTED REFTEL.

3. JOLLES SAID SWISS HAVE INFORMED CANADIANS THAT THE BEST TACTICS, IN THEIR VIEW, FOR THE HIGH OFFICIALS MEETING IS TO ALLOW OFFICIALS ONE LAST CRACK AT SETTLING AS MANY SECONDARY QUESTIONS AS POSSIBLE. ANY NON-RESOLVED QUESTIONS WILL REMAIN ON THE INTERNATIONAL AGENDA IN ANY CASE. THE LARGEST QUESTIONS SHOULD BE LEFT FOR THE MINISTERIAL. FINAL POSITIONS ON THESE ARE NOT LIKELY TO BE BROUGHT FORWARD BEFORE THE MINISTERIAL IN ANY CASE.

4. JOLLES HOPES MINISTERS CAN BE PERSUADED TO REFRAIN FROM OPENING STATEMENTS. HE BELIEVES THAT IT WOULD BE BEST TO LEAVE AS MUCH TIME AS POSSIBLE FOR NEGOTIATIONS BEFORE EACH MINISTER COMMITS HIMSELF PUBLICLY IN THIS FORUM TO PET PROJECTS IN SUCH A CONFIDENTIAL

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WAY THAT ANYTHING LESS THAN FULL SUCCESS IS A DEFEAT. MUCH OF THE CONSTRUCTIVE WORK DONE SO FAR COULD BE LOST THEREBY. IF THE SPEECHES ARE LEFT FOR THE CLOSING SESSION THEY ARE LIKELY TO BE LESS POLEMICAL.

5. JOLLES, HAVING READ ALL THE DOCUMENTATION PRODUCED FOR THE MINISTERIAL, BELIEVES THE EMERGING PACKAGE IS REASONABLY WELL BALANCED. HE HOPES THE G-8 WILL NOT RETREAT BY GIVING MORE TO THE G-19 OR AGREEING TO ACCEPT LESS. IN THIS REGARD HE IS PARTICULARLY CONCERNED ABOUT THE DISPUTE WITHIN THE G-8 ON ACCESS TO RAW MATERIALS. HE WOULD PROPOSE THAT THE G-8 AGREE ON A COMMON POSITION FOR CIEC AND CARRY THE PROBLEM BETWEEN DC'S OVER INTO THE GATT NEGOTIATIONS.

6. THE SWISS ARE NOT ENTHUSIASTIC ABOUT THE COMMON FUND. HOWEVER, THEY ARE CONVINCED THAT

BECAUSE THE ISSUE HAS BEEN GIVEN SO GREAT POLITICAL IMPORTANCE AS A TEST OF DC "POLITICAL WILL", SOME COMMITMENT TO A FUND IS REQUIRED IN ORDER TO ACHIEVE A COMMITMENT ON SUPPLY ACCESS. HE BELIEVES THE POTENTIAL PROBLEMS CAN BE CONTAINED PROVIDED THERE ARE NO COMMITMENTS ON THE SPECIFIC AMOUNT AND MODE OF FINANCING, AND AS LONG AS IT IS CLEARLY UNDERSTOOD THAT CONSUMERS AND PRODUCERS WILL RETAIN CONTROL; THE FUND ITSELF IS NOT TO BECOME THE MANAGER OF COMMODITY AGREEMENTS. JOLLES THINKS THE RESULT AT PARIS WILL BE A COMPROMISE WHICH ANYONE CAN INTERPRET AS THEY WISH. THE FEDERAL COUNCIL HAS BEEN ADVISED TO GIVE A SWISS INTERPRETATION OF ANY SUCH COMPROMISE.

7. THE SWISS POSITION ON ODA AND SPECIAL ACTION REMAINS THE SAME; THEY CAN ONLY CONTRIBUTE THROUGH CONFIDENTIAL

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CONVERTING THE DEBTS OF THE LEAST-DEVELOPED TO GRANTS. JOLLES SAID HE HAD ALREADY MADE CLEAR TO AMERICAN OFFICIALS THAT THE SWISS DECLARATION ON THIS QUESTIONS WOULD BE MADE IN THE CONTEXT OF ODA (SPECIAL ACTION), NOT DEBT RELIEF. THE FEDERAL COUNCILOR SPEAKING TO THIS QUESTION WILL EMPHASIZE THIS, WILL STATE THE SWISS RESERVATION ON ODA, AND SAY THAT THIS RESERVATION IS IS RELATED ONLY TO THAT PART OF THE AGREED TEXT WHICH CONTAINS THE COMMITMENT ON VOLUME OF ODA.

8. JOLLES SAID THAT MOST OF THE TEXTS HE HAS READ REFLECT A GREATER REALISM ON THE PART OF THE G-19 THAN HE HAS SEEN IN THE PAST. IN THIS SENSE THE CIEC COULD BE ACCOUNTED A SUCCESS. NOTABLE EXCEPTIONS, HOWEVER, ARE THE TEXTS ON TRANSFER OF TECHNOLOGY AND INDUSTRIALIZATION, AND EXCHANGE RATE AND OTHER GUARANTEES FOR LDC INVESTMENT IN DC'S.

9. THE EMERGING TEXTS ON TRANSFER OF TECHNOLOGY AND INDUSTRIALIZATION IMPLY A FAR GREATER INFLUENCE ON THE BEHAVIOR OF THE PRIVATE SECTOR THAN DC GOVERNMENTS POSSESS. JOLLES SAID WE SHOULD NOT AGREE TO A TARGET OF, SAY, 25 PERCENT OF TOTAL WORLD MANUFACTURING FOR THE LDC'S, OR TO THE TRANSFER OF TECHNOLOGY ON PREFERENTIAL TERMS, MUCH LESS COMMIT OURSELVES TO PREFERENTIAL IMPORTATION OF THE RESULTING LDC PRODUCTIN. WE SHOULD NOT ACCEPT THE CONTENTION THAT TRANSNATIONAL CORPORATIONS (DC-BASED COMPANIES) ARE BAD, WHEREAS MULTINATIONAL CORPORATIONS (LDC-BASED) ARE GOOD AND SHOULD BE

GIVEN PREFERENTIAL STATUS WHEN THEY INVEST. WE
SHOULD NOT AGREE TO PREFERENTIAL TREATMENT IN
THE FORM OF EXCHANGE RATE GUARANTEES FOR THE OPEC
INVESTMENTS, OR ANY OTHER PREFERENTIAL INCENTIVES.
TO DO SO WOULD BE TO REWARD WHAT MANY AMONG THE
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SWISS POPULATION SEE AS THE "BAD BEHAVIOR" THAT
LED TO THE ABILITY OF THOSE COUNTRIES TO MAKE SUCH
DEMANDS.

10. FOR ALL THE CAVEATS AND CAUTION, JOLLES
SEEMED MORE OPTIMISTIC ABOUT THE PROSPECTS FOR
CIEC THAN HE HAS BEEN UP TO NOW.
DAVIS

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES.

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, SUPPLIES, NATURAL RESOURCES, LESS DEVELOPED COUNTRIES, MEETINGS, ECONOMIC INTEGRATION, INDUSTRIALIZED NATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 24-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BERN02320
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
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Handling Restrictions: n/a
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2397741
Secure: OPEN
Status: NATIVE
Subject: CIEC: BILATERAL CONSULATIONS
TAGS: EGEN, ETRD, EFIN, EAID, ENRG, US, SZ, OECD, CIEC
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/9fd0568b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009